What is Claimed is:

- 1. A method for eliciting modification of a selected RNA target in a cell comprising:
- (a) providing an RNA-like polynucleotide hybridizable with said RNA target;
 - (b) hybridizing the RNA-like polynucleotide and the RNA to form a polynucleotide-target duplex; and
 - (c) contacting the duplex with a polypeptide comprising an RNase III domain, under conditions selected to effect modification of the duplex by the polypeptide, and modification of the RNA target thereby.
 - 2. The method of claim 1 wherein said modification of the RNA target occurs in the cell's nucleus.
- 3. The method of claim 1 wherein the polypeptide comprising an RNase III domain is an RNase III polypeptide.
 - 4. The method of claim 1 wherein the RNase III polypeptide is a human RNase III polypeptide.
 - 5. The method of claim 1 wherein modification of the selected RNA target is cleavage of the RNA target.
- 20 6. The method of claim 1 wherein the polypeptide comprising an RNase III domain is present in enriched amounts.
 - 7. The method of claim 6 wherein the polypeptide comprising an RNase III domain present in enriched amounts is overexpressed or exogenously added.
- 8. The method of claim 1 wherein the polypeptide comprising an RNase III domain is a purified RNase III polypeptide.
 - 9. The method of claim 1 wherein the RNA-like polynucleotide has a modification at the 2' position of at

least one sugar.

- 10. The method of claim 1 wherein step (c) is performed within a cell.
- 11. The method of claim 1 wherein step (b) is performed within a cell.
 - 12. The method of claim 1 wherein step (b) is performed outside a cell.
- 13. The method of claim 1 wherein at least one furanosyl moiety of the RNA-like polynucleotide is a ribofuranosyl moiety.
 - 14. The method of claim 13 wherein a majority of the furanosyl moieties of the RNA-like polynucleotide are ribofuranosyl moieties.
- 15. A method for promoting gene silencing in a cell comprising providing to the cell, in an amount effective to promote said gene silencing, a polypeptide comprising an RNase III domain.
 - 16. The method of claim 15 wherein said promotion of gene silencing occurs in the cell's nucleus.
- 20 17. The method of claim 15 wherein the polypeptide comprising an RNase III domain is an RNase III polypeptide.
 - 18. The method of claim 15 wherein the RNase III polypeptide is a human RNase III polypeptide.
- 19. The method of claim 15 wherein the RNase III polypeptide is exogenously added.
 - 20. The method of claim 15 wherein the RNase III polypeptide is provided through upregulation of endogenous production of the polypeptide.
 - 21. The method of claim 15 wherein said RNase III

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polypeptide is a purified RNase III polypeptide.

- 22. The method of claim 15 wherein said RNase III polypeptide is expressed by an exogenously added vector encoding said RNase III polypeptide.
- 5 23. The method of claim 15 wherein said cell is a mammalian cell.
 - 24. The method of claim 15 wherein said cell is a human cell.
- 25. A method for promoting gene silencing in a cell comprising enriching the amount or activity of RNase III polypeptide in said cell to a level effective to promote said gene silencing.
 - 26. The method of claim 25 wherein said promotion of gene silencing occurs in the cell's nucleus.
- 15 27. The method of claim 25 wherein said enriching is by exogenous addition of RNase III polypeptide.
 - 28. The method of claim 27 wherein said exogenously added RNase III polypeptide is a purified RNase III polypeptide.
- 29. The method of claim 25 wherein the RNase III polypeptide is provided through upregulation of endogenous production of the polypeptide.
 - 30. The method of claim 25 wherein said enriching is by addition of a vector encoding the RNase III polypeptide.
- 25 31. The method of claim 25 wherein said cell is a mammalian cell.
 - 32. The method of claim 25 wherein said cell is a human cell.
 - 33. A method for promoting gene silencing of a gene in a

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cell comprising:

- (a) providing to said cell a polynucleotide hybridizable with a target RNA encoded by a selected gene whose expression is to be silenced;
- 5 (b) hybridizing said polynucleotide and said target RNA to form a polynucleotide-target duplex; and
 - (c) contacting said duplex with a polypeptide comprising an RNase III domain, under conditions selected to effect cleavage or modification of the target RNA strand of the polypucleotide-target RNA duplex by the polypeptide comprising an RNase III domain, and silencing of the gene thereby.
 - 34. The method of claim 33 wherein said promotion of gene silencing occurs in the cell's nucleus.
- 35. The method of claim 33 wherein the polypeptide comprising an RNase III domain is an RNase III polypeptide.
 - 36. The method of claim 33 wherein the RNase III polypeptide is a human RNase III polypeptide.
 - 37. The method of claim 36 wherein the human RNase III polypeptide comprises an amino acid sequence with at least 90% homology to SEQ ID NO: 2.
 - 38. The method of claim 33 wherein the polynucleotide is provided as a single stranded polynucleotide.
 - 39. The method of claim 33 wherein the polynucleotide is provided as part of a double stranded nucleic acid structure.
- 25 40. The method of claim 33 wherein the polynucleotide is an antisense oligonucleotide.
 - 41. The method of claim 33 wherein the polynucleotide is an RNA-like polynucleotide.
 - 42. The method of claim 33 wherein at least one sugar

moiety of the polynucleotide is a ribofuranosyl sugar moiety.

- 43. The method of claim 42 wherein at least 50% of the sugar moieties of the polynucleotide are ribofuranosyl sugar moieties.
- 5 44. The method of claim 33 wherein the polynucleotide has at least one modification of the base, sugar or internucleoside linkage.
 - 45. The method of claim 44 wherein the polynucleotide has a modification at the 2' position of at least one sugar.
- 10 46. The method of claim 33 wherein the RNase III polypeptide is present in enriched amounts.
 - 47. The method of claim 46 wherein the RNase III polypeptide present in enriched amounts is overexpressed or exogenously added.
- 15 48. The method of claim 46 wherein the RNase III polypeptide is a purified RNase III polypeptide.
 - 49. The method of claim 46 wherein said enriching is by addition of a vector encoding said RNase III polypeptide.
- 50. The method of claim 46 wherein the RNase III polypeptide is provided through upregulation of endogenous production of the polypeptide.
 - 51. The method of claim 33 wherein said cell is a mammalian cell.
- 52. The method of claim 33 wherein said cell is a human cell.
 - 53. The method of claim 33 wherein said polynucleotide-target RNA duplex forms inside the cell.
 - 54. The method of claim 33 wherein said polynucleotide-target RNA duplex forms outside the cell.

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- 55. A method for inhibiting the expression of a gene in a cell comprising providing to said cell an agent effective to elicit RNase III modification of double-stranded RNA in a cell.
- 5 56. The method of claim 55 wherein said inhibition of gene expression occurs in the cell's nucleus.
 - 57. The method of claim 55 wherein said agent is a nucleic acid which is hybridizable with an RNA encoded by the gene whose expression is to be inhibited.
- 10 58. The method of claim 55 wherein said RNase III modification is RNase III cleavage.
 - 59. The method of claim 55 wherein the polynucleotide is provided as a single stranded polynucleotide.
- 60. The method of claim 55 wherein the polynucleotide is provided as part of a double stranded nucleic acid structure.
 - 61. The method of claim 55 wherein the polynucleotide is an antisense oligonucleotide.
 - 62. The method of claim 55 wherein the polynucleotide is an RNA-like polynucleotide.
- 20 63. The method of claim 55 wherein at least one sugar moiety of the polynucleotide is a ribofuranosyl sugar moiety.
 - 64. The method of claim 63 wherein at least 50% of the sugar moieties of the polynucleotide are ribofuranosyl sugar moieties.
- 65. The method of claim 55 wherein the polynucleotide has at least one modification of the base, sugar or internucleoside linkage.
 - 66. The method of claim 65 wherein the polynucleotide has a modification at the 2' position of at least one sugar.

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- 67. A method for promoting inhibition of expression of a gene in a cell comprising:
- (a) providing to said cell a polynucleotide hybridizable with a target RNA encoded by the gene whose expression is to be inhibited;
 - (b) hybridizing the polynucleotide and the target RNA to to form a polynucleotide-target duplex; and
 - (c) contacting the duplex with a polypeptide comprising an RNase III domain, under conditions effective to effect cleavage or modification of the target RNA strand of the polynucleotide-target RNA duplex by the RNase III polypeptide, and inhibition of expression of the gene thereby.
 - 68. The method of claim 67 wherein said promotion of inhibition of gene expression occurs in the cell's nucleus.
- 15 69. The method of claim 67 wherein the polypeptide comprising an RNase III domain is an RNase III polypeptide.
 - 70. The method of claim 69 wherein the RNase III polypeptide is a human RNase III polypeptide.
- 71. The method of claim 70 wherein the human RNase III polypeptide comprises an amino acid sequence with at least 90% sequence identity to SEQ ID NO: 2.
 - 72. The method of claim 67 wherein the polynucleotide is provided as a single stranded polynucleotide.
- 73. The method of claim 67 wherein the polynucleotide is provided as part of a double stranded nucleic acid structure.
 - 74. The method of claim 67 wherein the polynucleotide is an antisense oligonucleotide.
 - 75. The method of claim 67 wherein the polynucleotide is an RNA-like polynucleotide.

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- 76. The method of claim 67 wherein at least one sugar moiety of the polynucleotide is a ribofuranosyl sugar moiety.
- 77. The method of claim 76 wherein at least 50% of the sugar moieties of the polynucleotide are ribofuranosyl sugar moieties.
 - 78. The method of claim 67 wherein the polynucleotide has at least one modification of the base, sugar or internucleoside linkage.
- 79. The method of claim 78 wherein the polynucleotide 10 has a modification at the 2' position of at least one sugar.
 - 80. The method of claim 67 wherein the polypeptide comprising an RNase III domain is present in enriched amounts.
 - 81. The method of claim 80 wherein the polypeptide comprising an RNase III domain and present in enriched amounts is overexpressed or exogenously added.
 - 82. The method of claim 81 wherein the polypeptide comprising an RNase III domain and present in enriched amounts is a purified RNase III polypeptide.
- 83. The method of claim 81 wherein said enriching is by addition of a vector encoding said polypeptide comprising an RNase III domain.
 - 84. The method of claim 67 wherein said cell is a human cell.
- 85. The method of claim 67 wherein step (c) is performed within a cell.
 - 86. The method of claim 67 wherein step (b) is performed within a cell.
 - 87. The method of claim 67 wherein step (b) is performed outside a cell.

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- 88. A cell having enhanced RNase III activity over an activity exhibited by a second cell, said second cell not enriched with respect to the amount or activity of RNase III polypeptide.
- 89. The cell of claim 88 wherein said enhanced RNase III activity is detectable in the cell's nucleus.
 - 90. The cell of claim 88 wherein said enhanced RNase III activity is due to overexpression of RNase III.
- 91. The cell of claim 88 wherein the RNase III polypeptide is provided through upregulation of endogenous production of the RNase III polypeptide.
 - 92. The cell of claim 88 wherein said enhanced RNase III activity is due to exogenously added RNase III.
- 93. A method for eliciting modification of an RNA target in a cell comprising:
 - (a) providing an RNA-like polynucleotide hybridizable with said RNA target;
 - (b) hybridizing the RNA-like polynucleotide and the RNA to form a polynucleotide-target duplex; and
- 20 (c) contacting the duplex with a polypeptide comprising an RNase III domain, under conditions selected to effect modification of the duplex by the polypeptide, and modification of the RNA target thereby.
- 94. A hybrid RNase III comprising at least one domain from a human RNase III and at least one domain from an RNase III of an organism other than human.
 - 95. The hybrid RNase III of claim 94 wherein the non-human RNase III domain is derived from an organism selected from the group consisting of *E. coli*, *S. pombe*, *C. elegans* and *S. cerevisiae*.